ACCOUNTANCY BOOKS

Published by

interest to Accountant Students. The lectures delivered to the various Students' Societies are also reproduced. Arrangements have been made for a Serial Competition, and a prize awarded to the best Answers given on Questions of general interest. The Volume commences in May each year.

Vols. I. to XII., Bound Half-Calf, Gold Lettered, Price 7s. 6d. net each, or 72/- for the set of twelve; XIII. to XXIII., 8s. 6d. net each.

ACCOUNTANTS' LIBRARY, THE. Under the above heading a series of handbooks upon systems of Bookkeeping suitable for all classes of undertakings is being issued. The books are published at a uniform price of 3s. 6d. net, with the exception of a few "Double Numbers," for which the price is 5s. To Subscribers these are published at the special rate of 2*s.* 6*d.* per volume (3*s.* 9*d.* per "Double" volume). Subscriptions can still be received at this reduced rate by those desirous of obtaining the whole Series. Subscribers who may not wish to acquire the whole of the back volumes may, however, commence their Subscription with Vol. XXI. A list of Volumes already published, and Subscription Order Form, will be supplied post free on application.

ACCOUNTANT'S ASSISTANT, THE. 160 pages. Price 6*s.* net. By THOMAS BECKETT. This Work is an Index to the Accountancy Lectures and Leading Articles printed in *The Accountant*, *The Accountants' Journal*, The Transactions of the Various Students' Societies, and other Periodicals, during the last 30 years of the Nineteenth Century, to which is added a List of the principal Treatises now in use on each of the 117 Subjects affecting Accountancy. The Work will be in Daily Requisition in Accountants' Offices.

ACCOUNTANTS' (CHARTERED) CHARGES. (Third Revised and Enlarged Edition.) Price 10*s.* 6*d.* net. By FRAS. W. PIXLEY, F.C.A., Barrister-at-Law.

One of the great wants of Members of the Profession is a Standard work of the Charges of Chartered Accountants, to which they can refer their clients, when asked either to quote a fee for future services or to support an account of Charges already rendered. This work contains the Scale of Charges which prevails amongst the leading practising *London Chartered Accountants* for *Auditing*, making *Investigations*, &c.—The *Charges of Liquidators.*—The *Charges of Special Managers and Trustees in Bankruptcy*, *Receivers in Chancery*, &c.—The *Charges for Assisting Debtors and Directors of Companies in Liquidation* in the preparation of the *Statement of Affairs.*—The *Charges of Arbitrators*, *Witnesses*, &c.

ACCOUNTANTS' DIARIES (Yearly), ruled, &c. Prices from 1*s.* 6*d.* to 10*s.*—Editions Nos. 1, 2, 3 and 3A are specially Ruled and Headed according to the Pattern approved by most practising Accountants. All Editions except the 1*s.* 6*d.* contain a Directory of Accountants and much useful information.

CATALOGUE OF BOOKS FREE.

ACCOUNTANT'S AND BOOKKEEPER'S VADE-MECUM. Price 7*s.* 6*d.* net. By G. E. STUART WHATLEY, Accountant (Exam. Inst. C.A.).

The Work consists of a *Series of short and Concise Articles* upon *Capital and Revenue Expenditure, Revenue Accounts, Deficiency Accounts, Depreciation, Reserve and Sinking Funds, Adjustment of Partnership Accounts, Joint Stock Companies' Accounts, Tabular Bookkeeping, Hotel and Theatre Accounts,* and other matters not *generally dealt with in existing Works on Bookkeeping,* together with useful *Forms* and *Directions.*

ACCOUNTANTS' MANUAL, published biennially, with Index. Subscription 3*s.* 6*d.* per annum. Vols. I., II., III., IV., V., VI., VII., VIII., IX., and X., now ready, price 12*s.* 6*d.* each (except Vol. III., 10*s.* 6*d.*) or £5 the set. Also issued in parts every June and December, price 2*s.* 6*d.* each.

The only complete and full set of Answers to the Questions set at the Institute of Chartered Accountants' Examinations, dating from December 1884. These Answers are designed to give the fullest and most reliable information on each question asked, and are compiled with a view to lasting reference.

ACCOUNTANT'S COMPENDIUM, THE. Second Edition. Price 21*s.* net. (Medium 8vo, 570 pages.) Containing in the form of a Lexicon a digest of the subjects of Examination prescribed by the Institute of Chartered Accountants in England and Wales, and many other matters. By SIDNEY STANLEY DAWSON, F C.A., F.C.I.S.. F.S.S.

ADVANCED ACCOUNTING. Second Edition. Revised and Enlarged. Price 21s. net. By LAWRENCE R. DICKSEE, M.Com., F.C.A., Professor of Accounting at the University of Birmingham (Author of "Auditing," "Bookkeeping for Accountant Students," &c.)

This work will be found of the greatest value to Candidates for the Final Examination of the Institute, and to all serious Students of Accounts. In addition to an exhaustive treatment of the subject from an Accountant's point of view, an Appendix is included, which has been written by J. E. G. DE MONTMORENCY, B.A., LL.B. (Cantab), of the Middle Temple, Barrister-at-Law, dealing with the law relating to accounts, and the requirements of the Courts and of lawyers in connection therewith.

ANTE-AUDIT. Price, 1*s.* each, net; 5*s.* 6*d.* ½-dozen copies; 10*s.* 1 dozen copies. Being the Auditor's Instructions to his Client's Bookkeeping Staff. Issued in connection with the series of AUDIT NOTE-BOOKS, Nos. 1, 2, and 3.

It is intended that this book shall be given by the Auditor to the Bookkeeper in cases where it has not been customary for the Accounts to be audited (more especially, perhaps, in small businesses), and where, not infrequently, the Accounts are being kept in a way that does not permit of the Auditor's duties being performed without a needless drain upon his time and patience.

AUDIT NOTE-BOOK. Nos. I. & II., Price 6d. (net) each, 5*s.* per dozen. 40/- per hundred. Issued in two Series, viz.:—

No. 1—Suitable for a Monthly Audit.

No. 2—Suitable for a Quarterly or Half-yearly Audit. Name and address printed on Covers free on orders of 100 or more copies.

AUDIT NOTE-BOOK No. 3. New and Enlarged Edition. (For Important Audits.) 100 pages, Foolscap 4to. Price 2*s.* per copy, 20*s.* per dozen, or 70*s.* for 50 copies, and £5 10*s.* for 100 copies. Name and address printed on cover if 50 or more copies are ordered.

AUDITING. A Practical Manual for Auditors. Sixth Edition. Over 900 pages. Price 21*s.* net. By LAWRENCE R. DICKSEE, M.Com., F.C.A.

A New and Enlarged Edition of this Standard Work has now been issued. The text has been thoroughly revised, in part re-written, and brought entirely up to date. The Work now consists of upwards 900 pages, medium 8vo, being 100 pages more than the previous Edition, of which 50 are devoted to additions to the body of the work, and 50 to Reports of Cases. Special attention has been devoted in this Edition to the Accounts of Local Authorities and their Audit, Depreciation, Sinking Funds, &c.

Personal and Domestic Accounts

BY

J. G. P. IBOTSON, A.C.A.

CONTENTS.

I.—INTRODUCTORY.

It is related of the late Mr. Cecil Rhodes that the great Imperialist, in the early days of his career, called upon a friend, who happened to be at the time assistant manager of a mining company, and found the latter engaged in carefully checking his laundry bill. "My dear fellow," exclaimed Mr. Rhodes, "if you spend your time in this way it is evident that you will never be anything more than an *assistant* manager to the end of your days."

The principle thus crudely expressed is, no doubt, generally true that the man who burdens himself with any detail which can properly be devolved on a subordinate is failing to make the best of his own time and opportunities. It is this feeling, no doubt, that leads many men to neglect the methodical record of their Personal Accounts, conscious that their own powers can be better employed, and being disinclined to trust matters of so private a character to the care of others.

The purpose of the following pages is rather to suggest the most approved lines upon which individuals may themselves record their Income, Expenditure, Capital, and Investments, than to recommend the employment of outside professional assistance. There are, however, many persons of position and property, whose inclination leads them to neglect the whole matter rather than trouble themselves to keep accounts regularly. To these it may safely be asserted that the fee incurred by the employment of a qualified accountant will be well spent in having a clear statement of account periodically submitted to them, and may even more than recoup itself by the disclosure of some material fact that would otherwise be entirely overlooked.

The author will endeavour therefore to present in an intelligible form the results of experience acquired in keeping and arranging accounts of this nature suitable to the varying requirements of different clients. The different methods generally adopted for the record and classification of personal and domestic transactions, and the accounts relating to trust estates, will be described so that each reader may be enabled to select and adopt the system best suited to his own circumstances and requirements.

Although the term "expenditure" is generally used as the correlative of income when speaking of personal and domestic accounts, for purposes of simplification it is found preferable to confine the records described in the earlier chapters to those of actual *receipts* and *payments.* To the non-professional mind the distinction may not be very obvious, but among accountants custom has confirmed the recognition of a clearly marked difference between the two forms of account—"Income and Expenditure" and "Receipt and Payment." The former is so adjusted as not only to include in the totals of any selected period items actually received and paid during the term, but also to take account of liabilities contracted within the period and remaining unpaid at the date of closing the account. On the other hand, it also includes items of income earned or accrued due, but not actually received in cash within the time.

It will probably be argued that if only actual receipts and payments are to be taken into account, the Banker's Pass Book forms a sufficient record for all purposes, with the merit of entailing no exertion beyond an occasional glance at the balance showing there, to ascertain the financial position of the individual. Probably with the majority of Englishmen and Englishwomen of the middle and upper classes this forms the only record of their personal expenditure. In the first place, however, it does not follow that all payments to a given date are shown

in the Pass Book, as cheques often remain unpresented for long periods. Other important points are that no distinction is there made between capital and income, and no classification made of the receipt and disbursement of the latter whereby comparison with other years' transactions can be usefully undertaken.

2.—RECORDS OF PAYMENT.

THE most convenient form for the first record of all payments is undoubtedly the counterfoil of the cheque book with which all bankers provide their customers. In this connection, without going into a general disquisition on banking customs and regulations, some remarks upon the use of this form of payment may not be inappropriate.

Cheque books are supplied by bankers to their customers in two forms, payable respectively to "bearer" and to "order," but either may be altered to the opposite denomination by the customer if he affixes his initials, or as the regulations of a few banks require, his full signature to the alteration. The use of an "order" cheque book is, as a general rule, preferable, for the user of the cheque gets the payee's endorsement or signature on the back of the cheque as evidence that the payee has received the amount. Any unauthorised person getting possession of a cheque drawn to order can only get *value* for it by forging the payee's endorsement, which constitutes a criminal offence and is "punishable accordingly."

If in addition to making all cheques payable to "order," they are crossed with the words "& Co. Not negotiable" written between two diagonal lines, the cheque becomes the safest form of remittance in ordinary use. Anyone giving value for a cheque so crossed does so at his own risk, and should the

person to whom he so gives value prove to be a *wrongful holder* he will not be able to recover against the drawer of the cheque, for "The holder of a document marked *not negotiable* cannot confer a better title than he has himself." (45 and 46 Vict. c. 61, section 81.)

If the name of the payee's banker is known (and in the case of tradesmen this information generally appears on the headings of their invoices) it is advisable to make the crossing a "special" one by inserting the name of that particular banker instead of merely the words "& Co." If it is desired that the cheque shall be paid to a special account at a special bank the name of the account should be added in crossing.

Where a cheque is drawn for an amount under one pound it is an additional safeguard to strike out the £ for pounds, and write underneath the words "Under one pound." Care should be taken when filling in the written amount of a cheque to leave no break between the words denoting the number of pounds and the word "pounds." Instances have been known of a "y" having been slipped in after, say, "eight," and the figures altered to agree, thereby considerably increasing the amount of the payment.

Taking then the cheque book counterfoils as the first record of payment, it is necessary when filling in the counterfoil to note carefully the date, name of payee, and amount. Finally, for purposes of classification, the "account to be charged," or allocation of the item must be added. (For suggested list of such "accounts" see page 21.)

The filling in of this last requisite is not absolutely necessary at the time of making out the cheque. In the case of a cheque drawn for the purpose of being cashed and paid away in gold or notes, it is not always possible. It should,

however, be supplied as soon as can conveniently be the case to obviate the risk of the drawer forgetting the purpose for which the cheque has been applied. Even the payee's name is not always sufficient to recall the nature of the transaction after a lapse of time. In the case suggested, where a cheque is drawn and cashed, or split up between several payments by being exchanged in the settlement of a smaller account, the different amounts making up the total should be noted either exactly or approximately, and inserted on the counterfoil at the earliest opportunity.

Where loose cheques are carried in the pocket for convenience, and to save the trouble of carrying even a small cheque-book about, it is advisable to keep a slip of paper with the numbers as they are removed from the book. As each is filled up and paid away the particulars may be noted on this slip and the counterfoil filled in at the first convenient opportunity.

In order that a total figure and more or less detailed classification of the payments may be attained, it is necessary to transfer the particulars given on the cheque counterfoils to a consecutive record in the form of a Cash Book.

The credit or right-hand page is universally adopted for the record of payments, and the process of entering these from the cheque book should be undertaken at periodical intervals and rigidly kept up to the prescribed date. The accumulation of any arrears of this kind of detail is too often the precursor of its gradual neglect and ultimate discontinuance. The particulars of Date, Account to be Charged, Name of payee, and Amount should be entered from the cheque book in the order quoted. If the practice of numbering the cheques after the word "pay" is adopted, the cheque number may be noted at the extreme right of the space for particulars and just outside the Cash and Folio columns.

The practice of numbering the cheques is convenient when checking the Cash Book with the Bank Pass Book, as the bankers should then quote the numbers in the Pass Book instead of the names. Bank clerks are not always the most careful or legible of writers, and identification by the numbers is generally a matter more easily accomplished than the alternative process, which involves identifying the names of the payees.

3.—RECORDS OF RECEIPT.

In order to complete the Cash Book, and show the balance at any time representing the available resources of the individual on current account with the bankers, it is necessary to enter on the debit or left-hand side of the book all items of income *received* during the period under consideration. The rule should be adopted that all moneys received are paid into the Bank Account, and not paid away directly. The paying-in slip counterfoil then becomes a record of receipt corresponding with the record of payment on the cheque counterfoil. From the paying-in book the debit side of the Cash Book can at any time be entered up, and the items appearing there checked with the Banker's Pass Book to ascertain if all have been duly accounted for there.

Exception to the rule that the paying-in slips form a complete record may occur when, for the convenience of those having numerous investments, *mandates* for the payment of all dividends directly to the bankers are sent to the various companies. In this case the counterparts of the dividend warrants

returned in the pocket of the Pass Book will form the material for entering up their receipt in the Cash Book.

A similar exception occurs in connection with the payment side of the Cash Book where orders are signed and given to the individual's bankers to pay annual subscriptions directly to the institutions entitled to them at the dates when these become due. In such cases the payments will not appear in the Cash Book through the usual medium of the cheque counterfoil, but must be entered up from the debit notes enclosed by the bankers with returned cheques in the pocket of the Pass Book.

Another exception to the rule making the cheque book the record of all payments occurs when for convenience in travelling abroad the bankers furnish their customer with a Letter of Credit, or Circular Notes. These are documents which can be cashed on presentation at certain foreign banking houses in correspondence with the bank issuing them.

These notes are, as a rule, for specified amounts, say, £10, £20, £50 each, and any that the customer may have over he returns to the bank, who credit him with the same. The holder of such Circular Notes has with him "a Letter of Indication," addressed by the bank to the various parties with whom the notes can be negotiated, and to which a specimen of his signature is attached. As a rule, he can only negotiate these notes himself in person, and is required to endorse them in the presence of the payer.

Where the income of the individual is composed of numerous comparatively small items—such as Rentals, Annuity or Pension Payments, or money derived from Interests and Life Tenancies—the use of a numbered counterfoil Receipt Book is of service for giving receipts in a convenient form, and at the same time

retaining a record of the items. This, of course, is only preliminary to entry in the Paying-in Book, and forms a supplementary record.

Where a business or a profession is carried on, the income arising from its pursuit is best brought into the private accounts as and when received in the form of periodical cash drawings, and these items will pass through the Receipt Book above mentioned. A salary, or allowance from relatives, should be treated in the same way. The method of bringing into the private accounts surplus or undrawn profits remaining in the business as capital or reserve will be described in a subsequent chapter dealing with the items of income or expenditure outstanding at the close of the period covered by the accounts.

4.—THE CASH BOOK.

Turning now to a more detailed consideration of the Cash Book, this, as previously mentioned, forms the book of entry for the record of receipts and payments in consecutive chronological order. From it the available cash at the Bank is ascertained by striking a balance at a given date. The simplest form is here given.

CASH BOOK (Simple form).

Dr. CASH. CONTRA. *Cr.*

Date	Particulars	Fo.	Detail	Bank		Date	Particulars	Fo.	Detail	Bank
			£ s d	£ s d	Back of book				£ s d	£ s d

On the left-hand side of the book, which is headed *Dr.*, or debtor, are entered the items of receipt, the first column being used for Date, then Particulars, of which it is essential to give (1) Name of person from whom the amount is received, and (2) Account to be credited, being one of the analytical headings selected for the division of receipts. The next column is for the insertion of the Ledger folio on posting the item to that book, and then follow two Cash columns. The outer is used for the entry of detail when the amount banked (which is placed in the inner or right-hand column) is made up of more than one item, and requires to be separately allocated under two or more headings. The inner column is used as just mentioned, for the amount paid into the bank.

The right-hand or *Cr.* (credit) page of the Cash Book is used for the record of payments. The ruling is similar to that of the receipt side, with columns for Date, Particulars (name of payee and "Account to be charged"), folio in Ledger, Detail column for "split" cheques, and Bank column for the amount of cheques drawn.

The Cash Book should be balanced at monthly intervals, unless for special reasons it is desirable to ascertain easily the *total* receipts and payments for a longer period, such as a half-year or a year. In such a case the balance can be noted monthly in the margin, and the book need not be ruled off until the longer period has elapsed. When balancing, the book should be at the same time agreed with the Bank Pass Book, the *modus operandi* being as follows:—All payments into the bank appearing in the Cash Book must first be checked with those credited in the Pass Book and any not yet credited by the bankers noted. For instance, a country cheque paid in just before the date of balancing will probably not yet have been cleared by

the Bank. Any amount not credited at an earlier date must, of course, be made the subject of inquiry, as it may have been placed to the account of another customer in error. The other side of the Cash Book must then be checked off with the Pass Book, and a list of items remaining unticked in the former, which represent cheques not yet paid by the bankers, taken out. Any items appearing in the Pass Book, but not in the Cash Book, must be entered in the latter from the debit notes, which will be found in the pocket of the Pass Book. They may be either for collecting charges, cheque stamps, postages, or commission, or for subscriptions paid on a banker's order.

A Reconciliation Account, or Agreement, may now be made out by *adding* to the bank balance amounts not credited and then deducting cheques not cleared, the resulting figures should be the *Cash Book* balance. If it does not agree there is an error somewhere, probably in the casts of the Cash Book, or in ticking off the items. If the balance shown by the Pass Book is a debit or overdrawn balance the cheques unpaid must be *added* and the amount not credited *deducted* to ascertain the proper Cash Book balance—that is to say, the former process reversed.

5.—CLASSIFICATION.

Having obtained in the Cash Book a permanent and consecutive record of receipt and payment in detail, it now becomes necessary, if any practical comparative results are to be forthcoming, that the items appearing in the Cash Book should be classified under representative headings, and subsidiary totals of receipts and payments obtained. The simplest way of

attaining this end is by posting each item to a Ledger, in which accounts are opened under suitable heads, and then summarising the totals of these respective accounts in a final Receipts and Payments Account at the end of a specified period. The disadvantage of this system is the labour entailed, and this has led to a method being devised by which the separate posting of each item is obviated.

This alternative to the posting system consists in the use of a Columnar or Tabular Cash Book, in which the Cash columns on either side of the book are increased in number so as to provide an additional column for each heading under which it is desired to allocate the transactions. Every item in the Cash Book, with the exception of the balance, is thus entered twice, first in the total or left-hand money column, and then in the Analysis column under the heading denoting the nature of the transaction.

NOTE.—A separate column is shown on either side for "Capital Accounts." If the Columnar Cash Book is used without a Ledger, the difference between the totals of these two columns will show the addition to or decrease in the capital of the user. If the totals of the Receipt and Payment columns are posted to a Ledger, however, these two "Capital" columns should be posted in detail, and not in total.

COLUMNAR CASH BOOK.

Dr. RECEIPTS. PAYMENTS. *Cr.*

Date	Particulars	Paid into Bank	1. Drawings	2. Directors' Fees	3. Dividends	4. Rentals	5. Interest	6. Sundry Receipts	7. Capital Accounts	Date	Particulars	Cheques Drawn	1. House	2. Stables and Garden	3. Food and Drink	4. Dress	5. Education	6. Medical	7. Travelling, Books, and Amusements	8. Charity and Presents	9. Miscellaneous	10. Capital Accounts
		£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d			£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d

When the Cash Book is balanced, and the columns all cast up, the totals of all the Analysis columns on the debit or receipt side of the book should be equal in amount to the single total shown in the Paid into Bank column, *after deducting the amount of the commencing balance.* In the same way the credit Analysis columns should agree in total with the Cheques drawn column, *less* the *closing* balance. A useful check on the accuracy of the Cash Book additions is thus obtained, and the columnar totals furnish a summary of the receipts and payments for the period. The difficulty in using this method of classification arises when the headings required are so numerous as to make a book with the requisite number of columns unwieldy and expensive.

A third method adopted by the writer consists in closing the Cash Book at the foot of each folio, carrying only the balance forward to the next folio, and in the space left below the debit items (which are always fewer in number than the payments) entering a summary analysis of the receipts and payments appearing on the two pages. Only the items of the summary are then posted to the Ledger, instead of the detailed receipts and payments, so that by this method the amount of posting is considerably reduced while retaining a simple form of Cash Book. An example is here shown.

PAGE SUMMARY OF CASH BOOK.

Dr. CASH.

1904			£ s d	£ s d
Jan. 1	To Balance brought forward	..	..	173 5 0
"	" Drawings	10	..	100 0 0
5	" Dividend—Con.	15	2 19 5	
"	" Do. W. A.	"	33 5 0	36 4 5
				£309 9 5

SUMMARY OF PAYMENTS.

		£ s d	
House	.. ..	21 16 8	30
Food ..	.. ..	22 8 8	41
Dress ..	.. ..	15 6 1	55
Medical	.. ..	7 7 0	63
Charity	.. ..	5 5 0	82
		£72 3 5	

CONTRA. *Cr.*

1904			£ s d	£ s d
Jan. 2	By House, Rent	..	..	18 15 0
"	" Food, Jones & Co.	..	..	7 11 3
"	" Do. Smith	..	..	2 1 5
7	" Dress, Louise y Cie	..	..	15 6 1
"	" Medical, Dr. White	..	..	7 7 0
11	" Charity, L.M.S.	..	..	2 2 0
"	" Food, Brown & Sons ..	..	..	11 8 2
"	" Charity, S.A.	..	0 10 6	
"	" Do. C.A.	..	1 11 6	
				2 2 0
"	" Food, T. Robins	..	..	1 7 10
15	" House, Water Rate	..	..	3 1 8
"	" Charity, L.C.M. (special donation)	..	..	1 1 0
"	" Balance forward	..	..	237 6 0
				£309 9 5

With regard to the distinctive headings adopted for the classification of personal and domestic transactions, considerable latitude must necessarily prevail to allow for differing circumstances and individual requirements.

Mr. Edward Grubb, in an article contributed by him some years ago to the "Economic Review" on "Some Statistics of Middle Class Expenditure," gives the classification adopted by him when circulating some 150 requests for information for the purposes of a lecture he was about to deliver. These headings refer, as will be seen, to expenditure only. The corresponding divisions of income would vary, of course, with the position and occupation of the individual, but would probably be covered by the following list:—(1) Drawings (Business or Professional), (2) Directors' Fees, (3) Dividends, (4) Rentals, (5) Interest, (6) Sundry Receipts. Dividends and Rentals, unless very numerous, might be sub-divided to show separately those derived from each investment or property.

DIVISIONS OF EXPENDITURE ADOPTED BY MR. EDWARD GRUBB IN "ECONOMIC REVIEW."

---

1. Rent (or Annual Value) of House and Pleasure Ground.
2. Rates and Taxes (including Water).
3. Wages of Servants (including Charwoman and Laundress).
4. Wages of Grooms, Gardeners, &c.
5. Horses and Carriages (Annual Cost).

6. Food.
7. Drinks (Intoxicants, Aerated Waters, &c.).
8. Dress.
9. House Linen and other Draperies.
10. Furniture and Repairs.
11. Ironmongery, China, Brushes, Soap, &c.
12. Coals and Lighting.
13. Doctors, Dentists, Drugs, and Nursing.
14. Education.
15. Books and Newspapers (including Library Subscription).
16. Stamps and Stationery.
17. Travel and Holidays.
18. Amusements, Sport, Entertainments, &c.
19. Charity (including Presents).
20. Insurance Premiums.
21. Miscellaneous.

Mr. Grubb's classification for expenditure cannot be easily improved upon, so far as detailed division is concerned, and where the items are posted to the Ledger in detail there is no difficulty in its adoption. For columnar headings in a Cash Book, however, the divisions are too numerous, unless a very large book is used, and for this purpose the following grouping of the headings would be better:—(1) House, (2) Stables and Garden, (3) Food and Drink, (4) Dress, (5) Education, (6) Medical, (7) Travelling, Books, and Amusements, (8) Charity and Presents, (9) Miscellaneous, and would reduce the number of columns to more manageable proportions.

It is better to take fewer and broader divisions than to attempt too detailed an analysis, even where a Ledger is employed, and the difficulties presented by a too numerous series of columns is absent. The addition to the nine headings given above of one or two special divisions, such as Children's Allowances (where there are grown-up sons and daughters), Property Repairs and Charges (for Ground Rents, Repairs, and Insurance on House Property from which rents are received), Political Expenses (in the case of an actual or prospective member of Parliament), will suffice for all practical requirements.

It is not assumed that the reader is so unwise as to dabble in Stock Exchange speculations, but should such unfortunately be the case accounts for "Differences" *received* and *paid* must be included among the necessary divisions of receipts and payments respectively.

6.—THE LEDGER.

For the purpose of dealing properly with the Capital Accounts it is necessary to use a Ledger, so that even where a Columnar Cash Book is used for the record and classification of receipts and payments it is advisable to bring the totals of the various analytical columns into the Ledger, and thus focus all the figures into one book as their ultimate destination.

LEDGER.

Dr. (Name of Account.) *Cr.*

Date	Particulars	Fo.	Amount		Date	Particulars	Fo.	Amount
			£ s d	Back of book				£ s d

A simple folioed Ledger, such as will be used for Personal Accounts of the character dealt with in these pages, forms the most complete and easily adaptable system of final classification for every class of entry in the Cash Book. Each page of the Ledger is ruled with columns for Date, Particulars, Reference Folio, and Amount. Each "opening" of the book consisting of two "facing" pages is termed a folio, the two pages bearing in the upper outer corner identical numbers, and the *folio* numbers running consecutively through the book. An alphabetical index renders immediate reference to any account a matter of ease.

An "account" is opened by writing in the "heading" space of the folio selected the name and particulars considered necessary. Accountants usually as a matter of form head the upper left and right-hand corners of the folio (under the numerals) with the signs *Dr.* and *Cr.* (debtor and creditor). The use of the left and right-hand pages for debit and credit entries respectively is, however, so universal that there is no real necessity for so denoting them.

Generally speaking, the first folio in the Ledger of a private individual is best devoted to a detailed inventory of real and personal property under convenient divisions, and headed "Capital" or "Principal" Account. The items composing this list are entered in detail on the *credit* or right-hand page, and then each item is referenced to the folio on which an account bearing its own distinctive heading is opened in another part of the book, and on which a corresponding *debit* amount is entered. A list of headings of Capital Accounts which are likely to meet the requirements of a private individual is here appended.

HEADINGS FOR CAPITAL ACCOUNTS.

1. Principal Account (Summary).
2. Capital in Business or Profession.

3. Goodwill of Business or Profession (where not included in Capital).
4. Investments.
5. Life Interest, Reversion, or Annuity.
6. Insurance Policies (Life).
7. Real Property (Freehold Houses, &c.).
8. Leaseholds.
9. Furniture, Plate, and Pictures.
10. Horses, Carriages, Yachts, and Motor Cars.
11. Loans.
12. Marriage Settlement Investments (where Income is received by Husband).

Accounts will next be opened in the Ledger for each heading of receipt and payment, the items posted from the Cash Book to accounts showing receipts being posted to the credit side of the Ledger, and those recording payments to the debit, in each case the *opposite* side to that on which the transaction appears in the Cash Book. At the close of the financial period the total of each account is transferred to a Receipts and Payments Account by entering there the debit total of each account representing payments and a credit for each representing receipts. The individual accounts are then closed by writing on the vacant side the amount and the words "To" or "By Transfer to Receipts and Payments Account." The Receipts and Payments Account being then cast up, a balance, representing either an excess of receipts or an excess of payments, will appear (except in the very unlikely case of the receipts and payments totalling to an equal sum). This must be transferred to either the credit or debit of the individual's Capital Account, as the case may be, an excess of payments representing, of course, a decrease of capital, and an excess of receipts an increase.

In opening a Ledger the list of accounts both in respect of capital headings and those relating to the classification of receipts

and payments must first be settled, and all the headings entered in the index under their respective alphabetical divisions. The Ledger is best spaced out by placing all the Capital Accounts at the commencement (immediately following the Principal Account, which is placed on folio 1, but leaving a few blank leaves for carrying forward this account), allotting them one or more folios apiece, as may be required. Then, after leaving a dozen openings for any future capital items necessary, the Receipts Accounts may be commenced, and afterwards those recording Payments, concluding the spacing by opening the summary Receipt and Payment Account a dozen pages from the end of the Ledger. The work can then be completed by placing the reference folios in the index.

The amount of space to be allotted to the sectional Receipt and Payment Accounts will depend on the kind of Cash Book in use. If the latter be columnar or analytical in form, so that only the periodical totals require entry in the Ledger, one or two pages will suffice for each account; but if the items are posted from the Cash Book to the Ledger in detail, more space will, of course, be required for each account, and the proportionate number of pages to be allotted to each will vary in accordance with the character of the heading.

With a columnar Cash Book a Ledger of 100 folios is generally ample, but where the Cash items are posted in detail at least twice as many folios are required, or the Ledger will be filled up at the end of a year or two.

7.—RECEIPTS AND PAYMENTS ACCOUNT AND BALANCE SHEET.

Having completed the posting from Cash Book to Ledger of all items occurring during the first financial period, either in detail or in total, and having cast up the Ledger Accounts, a

schedule of balances must be taken out in columns for debit and credit balances respectively. These, with the addition of the Cash Book balance (treated as a Ledger Account for the time being), should cast up to corresponding totals and prove the correct posting and casting of the books. Should the debit and credit show different totals an arithmetical or clerical error has been made, and the postings and castings must be checked until it is located and set right.

It will be appropriate here to consider the question of how often and to what date the two final Statements of Receipts and Payments and Assets and Liabilities may best be made out. Where no other considerations interfere, the most convenient to be taken will be the calendar year. Where, however, the individual derives an income from a business or profession, the accounts of which are taken at more frequent intervals, or at a different date, it will generally be useful for his Personal Accounts to be made up to the same date as those of his business. As to the frequency at which a complete statement should be made out, it is rarely that circumstances render it desirable to do this more often than at annual intervals. The clerical correctness of the books can be tested and a comparison of interim totals of receipt and payment afforded by taking out the Trial Balance in the manner just described, at half-yearly, quarterly, or even monthly intervals, as the fancy of the individual may dictate. This process may be facilitated by the use of columnar, or, as it is sometimes called, "analysis," paper for the Trial Balance, which may then be made in the form of a Comparative Statement, as will be described in detail in the chapter devoted to the consideration of such statements.

Whether, however, the Trial Balance be taken out at intervals of greater or less frequency, an Account of Receipts and Payments and a Balance Sheet should always be drawn up once in the year. The former is obtained, as already

described on p. 25, by transferring to the debit and credit respectively of an account opened under this heading in the end of the Ledger the totals of the individual accounts of payments and receipts. The resulting balance is transferred to a Principal Account, either augmenting or decreasing the capital of the individual.

The Balance Sheet is then drawn up from the remaining accounts, which in each case are closed off and have their balances brought down, representing respectively assets or liabilities, as they consist of debits or credits. The Principal Account, which will be a credit balance, is an apparent exception to this rule, as, though it stands on the credit or liability side of the Ledger, it does not form any actual liability. It really represents the net total of assets after deducting the outside liabilities, or, in other words, the credit balance (of property and possessions) in favour of the individual, considered apart from the Balance Sheet by which it is "owed" to him.

RECEIPTS AND PAYMENTS ACCOUNT AND BALANCE SHEET.

Dr. RECEIPTS AND PAYMENTS ACCOUNT for the Year ending 31st December 1903. *Cr.*

	£	s	d		£	s	d
To House Expenses	141	0	0	By Drawings from Business	710	0	0
„ Stables and Garden	46	0	0	„ Directors' Fees	100	0	0
„ Food and Drink	255	0	0	„ Dividends	25	0	0
„ Dress	135	0	0	„ Rentals	45	0	0
„ Education	100	0	0	„ Interest on Loan	50	0	0
„ Medical Expenses	20	0	0	„ Sundries	9	0	0
„ Travelling, Books, and Amusements	50	0	0				
„ Charity and Presents	73	0	0				
„ Miscellaneous Payments	16	0	0				
„ Balance, being excess of Receipts transferred to Principal Account	103	0	0				
	£939	0	0		£939	0	0

Dr. BALANCE SHEET, 31st December 1903. *Cr.*

	£	s	d		£	s	d
To Principal Account	12,232	0	0	By Capital in Business	9,000	0	0
„ Loan	200	0	0	„ Investments	1,000	0	0
				„ Freehold Property	800	0	0
				„ Loan	1,000	0	0
				„ Furniture, &c.	500	0	0
				„ Cash at Bank	132	0	0
	£12,432	0	0		£12,432	0	0

It is not usual in commercial account-keeping to enter the Balance Sheet in the books, but for private accounts it can most usefully be made out on a page of the Ledger, which thus becomes a permanent record. For this purpose a few leaves can be reserved at the extreme end after the Receipts and Payments Account. The liabilities are by custom placed on the *debit*, and the assets on the *credit*, side of the Balance Sheet.

It must be understood, however, that the Balance Sheet so entered is *not* a Ledger Account, but merely a *memorandum* of the balances standing in the Ledger at that date, such balances being carried forward to the new year, and not written off, as is the case with those transferred to the Receipts and Payments Account.

8.—INCOME AND EXPENDITURE ACCOUNT.

Up to the present the accounts described have been those dealing only with items actually received and paid prior to the dates to which the financial statement is to be made up. For persons whose income is regularly received, and who pay promptly, this is the most convenient and simple method to adopt, and the resulting statements show with a fair amount of accuracy all that they require to know from time to time of their financial position.

With others, however, the case is different, tradesmen of certain classes, especially in provincial towns, prefer not to render accounts to their more wealthy customers at less than half-yearly intervals, and then the accounts are not presented until perhaps some months have elapsed from the close of the half-year. Almost certainly rent accrued during the half-year, or quarter last ended, will be unpaid at the date of closing the books, and medical and other professional men are often dilatory in sending in their accounts.

On the other hand, incomes derived from property rentals will generally be received some weeks after the close of the quarter, and profits from a business, trade, or profession are, as a rule, not drawn in full immediately they are ascertained. Probably the balance not drawn during the current period will either be capitalised or allowed to remain until required, or the drawings may have exceeded the profits earned, with the result that the individual has been living partly on capital which may or may not have to be repaid.

When dealing with the simple set of transactions leading up to a Receipts and Payments Account, the only books hitherto mentioned have been the Cash Book and the Ledger. For the purpose, however, of transforming "Receipts and Payments" into "Income and Expenditure" by the inclusion of these outstanding accounts it is advisable to use a third book for the record of the transfers—the Journal—of which a ruling with a set of specimen "closing entries" is shown.

JOURNAL.

Closing Entries.

				£ s d	£ s d
1903 Dec. 31	Sundries:—	*Dr.*			
	To Sundry Creditors		150	..	57 0 0
	Food and Drink—Bills unpaid		65	7 0 0	
	Dress (estimated)		75	15 0 0	
	House—Christmas Rent..		45	25 0 0	
	Medical (estimated)		95	10 0 0	
"	Sundry Debtors	*Dr.*	160	36 5 0	
	To Sundries:—				
	Rentals—Christmas Quarter		30	..	11 5 0
	Interest—Half-year		35	..	25 0 0
"	Capital in Business	*Dr.*	3	100 0 0	
	To Principal		1	..	100 0 0
	For Profits Capitalised.				
"	Sundry Debtors	*Dr.*	160	90 0 0	
	To Drawings		20	..	90 0 0
	For Profits not drawn till 1904.				

Commencing with the expenditure side of the accounts, a list of all amounts owing to the date of closing the books must be made out, either from unpaid bills, where these have been received, or, in their absence, some *estimated* amount must be entered. The items should be collected under their appropriate headings, and then passed through the Journal, as in the first entry shown, debiting each Expense Account and crediting an Account called Sundry Creditors. In posting the *credit* entry it is advisable to make the entry in full, giving the same particulars as in the Journal.

Amounts due on the income side of the accounts may then be treated in the same way by a second Journal entry crediting each heading of receipt and debiting "Sundry Debtors." Exception occurs, however, when profits from a business, trade, or profession have to be dealt with, and it is not intended to withdraw the whole share of the profits, but to leave all, or part of, the surplus in the business as additional capital. If the *whole* surplus profits are to be capitalised, a Journal entry must be made debiting the business Capital Account (thereby increasing the amount of that asset in the private books), and crediting Principal Account, to show a corresponding increase on the whole estate. If, however, a portion of the surplus profits are intended to be withdrawn in the near future, the Journal entries will be as Nos. 3 and 4, debiting a part to Capital and crediting Principal, and debiting the other portion to Sundry Debtors and crediting Drawing Account.

Having completed these entries bringing in the outstanding items at the date of balancing, the accounts are next closed by transferring the various accounts to Income and Expenditure in the same way as has previously been described for dealing with the Receipts and Payments Account. After closing the Income and Expenditure Account by transferring the balance of surplus or deficit to Principal Account by Journal entry, the Balance Sheet can then be taken out from the remaining

balances, representing either assets or liabilities, among which the Accounts of Sundry Debtors and Sundry Creditors will find a place.

As soon as the Income and Expenditure Account and Balance Sheet have been taken out, and before any postings for the new financial period appear in the Ledger, it is necessary to pass a series of Journal entries reversing exactly the debits and credits posted respectively to the Sundry Debtors and Sundry Creditors' Accounts when closing the books. The Journal entries below show the method of bringing these items back to their original accounts, under the commencing date of the new financial period. The Sundry Debtors' and Sundry Creditors' Accounts will thus be balanced off, and are not re-opened until the time arrives for drawing up another Balance Sheet, when the outstanding items at the new date will be again brought into these accounts.

JOURNAL.

RE-OPENING ENTRIES.

			£ s d	£ s d
1904 Jan. 1	Sundry Creditors .. .. *Dr.*	..	57 0 0	
	To Sundries :—			
	Food and Drink	..	..	7 0 0
	Dress..	..	..	15 0 0
	House	..	..	25 0 0
	Medical	..	..	10 0 0
	For transfer back of liabilities included per Journal, fo. .			
"	Sundries :— *Dr.*			
	To Sundry Debtors	..	..	126 5 0
	Rentals	..	11 5 0	
	Interest	..	25 0 0	
	Drawings	..	90 0 0	
	For transfer back of entries per Journal, fo. .			

Another method of closing these two accounts would be to post each cash item representing the receipt or payment in the new financial period of one of the outstanding items at the last Balance Sheet to the credit or debit respectively of the two accounts in question until they were all balanced off. The disadvantage of this practice, however, arises in the fact that in

writing up the cheque counterfoils and Cash Book the circumstance of the account being an outstanding item is very likely to be overlooked, and the receipt or payment treated as one belonging to the current period. In such cases the item remains unbalanced in the Sundry Debtors' or Sundry Creditors' Account, and has to be written back by Journal entry at the close of the next year. It is, therefore, in every respect preferable to transfer all the outstanding items back on the day of *commencing* a new year, and treat the actual receipts or payments as transactions of the current period.

In concluding the description of the entries necessary to transform Receipts and Payments into Income and Expenditure by the aid of entries passed through a Journal, it may be mentioned that where it is intended to use this book *all* transfers from one Ledger Account to another should appear in its pages. Thus the opening entries in the Ledger relating to the Capital Account, which are described on p. 24 (where in the absence of a Journal they are treated as direct transfers), should, following more strictly the academic laws of bookkeeping, be made by a Journal entry. In the same way, any errors caused by posting cash items to their wrong accounts may be rectified neatly and clearly by passing a Journal entry transferring the payment or receipt to the debit or credit of its proper account, and thus avoiding any unsightly crossing out or erasure in the Ledger.

9.—CAPITAL ACCOUNTS.

As previously mentioned, the Capital Accounts are originally opened by Journal entry, or transfer from the summary Principal Account on the commencing pages of the Ledger. Such entries as may be necessary from time to time to record changes in Investments or Properties, or additions to these or any other

assets or liabilities, will come naturally through the Cash Book. When such entries are posted from the payment side of the Cash Book representing the purchase of some new asset, the simple posting is sufficient to deal with the new condition of affairs by adding to the debits already appearing in the Ledger the *cost* of the asset acquired.

While not strictly correct, it is preferable, on the score of simplicity, to treat purchases of investments *cum dividend* as being all capital, although actually the price paid includes the proportion of the next dividend coming due accrued to the date of purchase, and should therefore be partly debited against Income Account, if strict accuracy is desired. The legal and other expenses connected with the purchase of property, and the commission and stamps on investments purchased, are usually treated as part of the purchase-price, being included in the sum paid to the broker or other agent through whom the purchase is effected.

When, however, the sale of an investment or other asset occurs, the mere posting to the credit of its appropriate account of the entry representing the amount of cash received will not leave an accurate representation of the position resulting on such a transaction. There will almost inevitably be some profit or loss on the sale, and the difference between the cash thus received and the amount originally paid for the asset, or the valuation placed on it at the time the books were opened, will have to be dealt with by an entry producing a corresponding accretion to, or diminution of, the Principal Account on folio 1 of the Ledger. This is carried into effect by transferring the amount of profit or loss, either through the Journal, if one is used, or by a direct transfer entry from the individual account representing the asset disposed of, to the credit or debit respectively of Principal Account. The debit and credit sides of the separate asset account will then balance, and can be closed off.

Where the business of the individual has a goodwill attaching to it, and the value of such goodwill is not included in the

capital shown in the business books, it is advisable, so that the existence of the asset may be kept in sight, that an account should be opened for it in the private books, but no valuation figure entered. The remark applies to a Life Interest or Reversion, and to Life Insurance Policies, all of which should have Ledger Accounts opened under their several headings, with brief particulars of the asset noted in each case, but with no valuation extended into the Cash column or included in the total of the Principal Account.

10.—COMPARATIVE STATEMENTS.

One of the chief purposes to be achieved by the production of an annual or half-yearly Statement of Income and Expenditure is that of setting out clearly the transactions of different years or financial periods under the analytical headings of account, so that the income or expenditure under each division may be examined in comparison with previous years, and any noticeable increase or decrease be made apparent.

In order that ready reference to the figures of past years' accounts may be obtained without turning over the pages of the Income and Expenditure Accounts in the Ledger to find each item, a Comparative Statement may be easily prepared by setting out the different headings on a sheet of analysis paper, of which the columns bear the dates of a number of years in succession. A statement of this kind available for twelve years—the number of columns in which this kind of paper is usually sold by stationers being 14, the last two of which are taken up for Total and Average columns—is shown in the example. This forms a very complete and useful record of personal transactions, the period being long enough to furnish a comprehensive view of the individual's average income and expenditure under each heading.

Comparative Statement of Income and Expenditure.

Expenditure	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914	Total	Average
	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d
House														
Stables and Garden														
Food and Drink														
Dress														
Education ..														
Medical Exp'nses														
Tr'v'lling, Books, &c.														
Charity and Presents														
Miscellaneous—														
Balance (Surplus)														
Income														
Business Profits ..														
Directors' Fees..														
Dividends ..														
Rentals														
Interest														
Sundries														
Balance (Deficit) .														

In some instances, however, the comparison of annual or half-yearly totals will not afford a sufficiently close and frequent indication of the rate of expenditure to meet the requirements of the case, and under such circumstances a Comparative Statement may be prepared at monthly as well as annual intervals. A similar ruling, with the columns headed with the names of the calendar months instead of a series of years, may be employed for this purpose, but a better plan is to combine the monthly Trial Balance with a half-yearly Comparative Statement by allotting alternate columns of the Analysis Sheet to the Transactions and Totals respectively, as shown below. The progressive totals taken from the Ledger, of which the accounts are cast up *in pencil* each month, then give the receipts and payments under each head up to date, and also form the Trial Balance proving the correctness of the bookkeeping, while the Transactions columns give the receipts and payments for the month only.

NOTE.—By those having a "statistical" turn of mind, the average expenditure under each heading, and the percentage this bears to the total income, may be inserted in the two columns on the extreme right, or these may be left blank.

MONTHLY STATEMENT OF RECEIPTS AND PAYMENTS AND ASSETS AND LIABILITIES
for the Half-year ending....................

PAYMENTS		January Transactions	January Totals	February Transactions	February Totals	March Transactions	March Totals	April Transactions	April Totals	May Transactions	May Totals	June Transactions	June Totals	Average Transactions	Percentages
		£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d	
House	..	50 0 0	50 0 0	45 0 0	95 0 0										
Stables and Garden	..	25 0 0	25 0 0	15 0 0	40 0 0										
Food and Drink	..	100 0 0	100 0 0	115 0 0	215 0 0										
Dress	..	50 0 0	50 0 0	5 0 0	55 0 0										
Education ..	..	30 0 0	30 0 0	..	30 0 0										
Medical Expenses	..	5 0 0	5 0 0	10 0 0	15 0 0										
Travelling, Books, &c.		10 0 0	10 0 0	5 0 0	15 0 0										
Charity and Presents	..	15 0 0	15 0 0	25 0 0	40 0 0										
Miscellaneous ..	..	7 0 0	7 0 0	13 0 0	20 0 0										
Balance (Surplus)	..	..	13 0 0	..	20 0 0										
Total	£	292 0 0	305 0 0	233 0 0	545 0 0										
RECEIPTS															
Business Profits	..	200 0 0	200 0 0	200 0 0	400 0 0										
Directors' Fees	..	10 0 0	10 0 0	..	10 0 0										
Dividends ..	..	40 0 0	40 0 0	30 0 0	70 0 0										
Rentals	..	55 0 0	55 0 0	10 0 0	65 0 0										
Balance (Deficit)	..														
Total	£	305 0 0	305 0 0	240 0 0	545 0 0										
ASSETS															
Capital	..	..	24,000 0 0	..	24,000 0 0										
Investments ..	..	..	12,000 0 0	..	12,000 0 0										
House Property	..	..	4,000 0 0	..	4,000 0 0										
Furniture and Plate	..	..	3,000 0 0	100 0 0	3,100 0 0										
Cash	..	..	213 0 0	..	120 0 0										
Balance Deficit)	..														
Total	£	..	43,213 0 0	100 0 0	43,220 0 0										
LIABILITIES															
Principal Account	..	..	42,200 0 0	..	42,200 0 0										
Loan Account ..	..	..	1,000 0 0	..	1,000 0 0										
Balance Surplus)	..	..	13 0 0	..	20 0 0										
Total	£	..	43,213 0 0	..	43,220 0 0										

When the balances are thus taken out each month for comparative purposes it will probably be found most convenient to purchase a book with analytical ruling sufficient to last a number of years, rather than prepare the monthly summary on loose sheets which can only contain the transactions of a single half-year. A book of this kind can be used to contain also on another set of pages the Comparative Annual Statements taken from the combined *Total* columns of the two half-yearly summaries.

11.—VOUCHERS.

In concluding the description of a simple set of records of personal income and expenditure, a few words as to the preservation of loose vouchers may not be inappropriate. In the first place, bankers usually, although not always, return in the pocket of the Pass Book all cheques which have been paid by them and debited to the customer's account. It is important that these cheques should not be left accessible to servants or strangers, as, bearing the signature of the owner, they might conceivably lead to that signature being imitated, and a fraudulent withdrawal from the Bank Account take place. On the other hand, if returned cheques are at once destroyed, some question as to whether an account has been paid or not, or the date of such payment, may, in the absence of the cheque itself as evidence, be decided against the owner. A safe rule is probably to keep all paid cheques securely locked away for six years, the period under the Statute of Limitations with which a simple contract debt may be recovered. On adding the cheques received back during the last year to the collection those of the seventh year back may be destroyed, leaving the six years still in safe custody.

Although the paid cheques are generally referred to by the bankers, and correctly from their own point of view, as vouchers,

a paid cheque is not necessarily good evidence of the receipt of the money by the person to whom it may be owing. It should be a rule, therefore, to obtain, wherever possible, a proper acknowledgment, stamped where legally necessary, for all payments made, and to preserve these vouchers, preferably for the six years previously mentioned as the statutory period for the recovery of ordinary debts. A point to be mentioned here in favour of the practice of keeping proper books of account is the fact that an entry in the Cash Book, which is declared by affidavit to be a book written up regularly and continuously, would probably, in the absence of direct proof, be taken as good evidence in a Court of the discharge of any account appearing in it as paid.

A convenient method of keeping receipted accounts in order, and making the future reference to any particular one an easy matter, is to number the vouchers as they are received with the cheque number entered in the Cash Book. If for any reason the cheque number is not entered, each year's entries on the payments' side of the Cash Book should be numbered consecutively, commencing with the No. 1 at the first entry, and so on to the end of the year. As the vouchers are received and numbered to correspond, a tick, or cross, may be placed against the number in the Cash Book, showing that a voucher has been received and filed away for that payment. A glance down the row of numbers will then show whether any of the vouchers are missing, and, where such should properly be present, steps can be taken to obtain them. In the case of tradesmen's accounts, these are frequently receipted in the Pass Books supplied by them to their customers, in which case a small "b" can be placed against the voucher number instead of the usual sign. For many items, of course, no voucher may be obtainable, as in the case of a cheque cashed for personal or travelling expenses.

With reference to the filing of vouchers in their proper order when numbered, there are many systems and kinds of files in

use. In the writer's opinion the most satisfactory is that sold by most stationers under the name of the "Spring Binder," or "Bibliohapte," at the price of three shillings and sixpence. When the Binder is full the vouchers can be taken out and secured in the loose cover by inserting the wire supplied in the pocket of the Binder. The cover can then be marked with the year and the numbers of the first and last vouchers it contains, and a new cover (price sixpence) inserted in the Binder. The returned cheques from the bankers can be sorted in numerical order, and filed in the same fashion, any counterparts of dividend warrants being removed, as they may be wanted for the purpose of making a claim for return or abatement of income-tax. They should in any case be filed separately from the cheques and debit notes.

12.—INCOME TAX.

A few brief notes on the subject of charging income-tax in reference to the different classes of properties from which income is derived will be useful, especially to those of moderate incomes who are entitled to a rebate, for the recovery of which a special form has to be filled up.

The principle adopted by the Income Tax Commissioners is that of collecting the tax wherever possible at its *source*, and by keeping this in mind the reason of what would otherwise appear merely arbitrary differences in dealing with the various kinds of income will be more readily seen.

On Lands and Buildings the tax is usually collected from the occupier and calculated on the annual value of the property, the tax being deducted by the occupier when he makes his next payment of rent. Income from this source will, in most cases, therefore be received "less tax," the net amount only coming into the hands of the owner.

On Dividends and Interest received from Investments in the Public Funds the tax is also deducted by the banks and financial houses through whose agency income of this kind is received, they having already paid the tax on the whole amount of dividend, &c., passing through their hands. Income from investments of this kind will therefore be received as a net amount only.

Dividends and Debenture Interest from joint-stock companies may be received with income-tax deducted, or sometimes the dividends are declared by the company free of income-tax. In either case the tax is paid by the company, and income from this source is therefore again a net amount.

Interest on Loans is, in accordance with the same rule, taxed at its source, and the person paying the interest will therefore deduct the tax from the amount payable. In the example of a Balance Sheet given on page 29, where loans appear on each side of the accounts, the interest *received* on the £1,000 and the amount of interest *payable* on the £200 loan will both be subject to deduction of the tax.

Coming next to the consideration of Income derived from a Business or Profession. If this is in the nature of a fixed annual salary the tax will be payable by the recipient on the remuneration for the year in which the tax is paid. If, however, the income derived is in the form of a share of profits, the assessment is made on the *average* profits for the past three years, this being taken as the basis for an estimate of what the current year's share may amount to. The tax on profits of this nature will be collected from the firm, unless the partners request that they may be assessed separately. In either case, the profits taken to form an average for this purpose will generally require some adjustment to provide for the disallowances specified by the Income-tax Acts.

To the profits as ascertained for business purposes, therefore, must be *added* (1) Interest on Capital and Partners' Salaries;

(2) Interest on Loans or Mortgages paid by the business (except Bank Interest); (3) Income-tax paid during the year; (4) Depreciation of Leases, Plant, or Buildings (except an allowance for wear and tear of plant, generally fixed at 5 per cent. of the cost); (5) Amounts transferred to Reserve or Sinking Fund Accounts (except a reserve for debts actually anticipated to be bad).

On the other hand, should the land and buildings occupied by the business be held as freehold, or leased at a lower rent than that at which they are assessed for income-tax, the additional amount of such assessment may be charged against the profits of the business. This is a matter which is frequently overlooked in preparing accounts for income-tax purposes, and, as it is one of the few instances in which an adjustment in *favour* of the taxpayer is allowed, it is one to be taken advantage of wherever possible.

Should the business in which the taxpayer is engaged be that of a farmer, he is not assessed upon a basis of a three years' average of profits, but may take the choice of being assessed upon the actual profits he has made, or upon the basis of one-third of the annual rent paid for his farm.

The exemptions and abatements of income-tax allowed at the present time are as follow:—

Incomes not exceeding—

(1) £160 per annum are exempted.
(2) £400 are allowed an abatement of £160.
(3) £500 ,, ,, £150.
(4) £600 ,, ,, £120.
(5) £700 ,, ,, £70.
(6) Premiums paid for life insurance not exceeding one-sixth of the total income may be deducted.

(7) When the total joint incomes of husband and wife are under £500, and the wife earns profits from a business in which the husband has no interest, their incomes may be assessed separately for exemption or abatement.

It will be seen that in case of a partnership in business where the separate incomes of all or any of the partners are under the abatement limit of £700, the obtaining of a separate assessment for each partner will materially reduce the amount of tax payable.

Where income-tax has been paid in excess of that payable under the above rules for abatement or exemption, as in the case of a person deriving an income of £700, or under, from property, rentals, or investments, the income from which is taxed before it reaches the recipient, a claim for return of tax thus paid in excess may be made for not more than three years back from the year of the claim. Application must be made to the local Surveyor of Taxes for a form, which must be filled up and returned to him, with the necessary certificates and receipts. The refund will then be received by a money order from the Inland Revenue Office at Somerset House, accompanied by a form, on which the next year's claim is to be made out.

An income in the nature of a voluntary allowance is not subject to income-tax, nor need any money presents be included in the return of income for this purpose.

13.—TRUST ACCOUNTS.

In the foregoing pages the system of accounts described has been that adapted to the record of personal transactions of an individual, and therefore, although the keeping of such a

record is in every way advisable, it becomes after all a matter of choice—that is to say, if the keeping of proper accounts is neglected, and loss suffered thereby, the loser has but himself to consider.

It is otherwise, however, when responsibilities involving the care of the property of friends or relatives are more or less voluntarily undertaken, as by accepting the office of executor and trustee under a will, taking an administration in an intestacy, or allowing oneself to be appointed trustee of a marriage or other settlement. In any of these cases it is important—not only for the sake of those who look to the trustee for the proper discharge of the duties he has undertaken, but also for his own sake, in that at any time he may be called upon to prove in Court that he has dealt honestly with the property committed to him—that a full and accurate account of every transaction should be preserved by him or by some person acting under his instructions.

Taking, first, the case of an executor, or an administrator—which differ only in that the first is appointed by the will of the deceased, and the latter is the next-of-kin or other person appointed by the Court to administer the estate where no will is left—a brief review of their general duties will be useful before considering in particular the question of accounts.

The first duty of the executor will be that of examining the books and papers of the deceased, and obtaining from his bankers, solicitors, and stockbrokers information as to any documents or securities they may have in custody. From the information so obtained an inventory of the assets of the deceased must be made out, and it is advisable to make a similar list of all debts which appear to be due by the deceased, either from entries in his books or from unpaid accounts discovered.

The next step, that of obtaining valuations of the deceased's properties and taking out probate or letters of administration,

will be attended to by a solicitor, as also will the insertion of advertisements requiring persons having any claims against the estate to send particulars of their claims before a certain date.

Having duly obtained documentary authority (in the shape of the probate copy of the will or the letters of administration) giving the executor or administrator power to legally deal with the estate, his duty will next consist in realising the whole or such part of the estate as is necessary to pay the funeral and testamentary expenses, debts, and legacies. If the estate is to be held in trust, such part of the residue as is not invested in securities authorised by the Trustee Act, 1893, and the Colonial Stocks Act, 1900, must also be realised, and re-invested in the manner so authorised, unless the will gives specific directions for retaining certain investments, or allows the executor wider scope for re-investment.

To deal with the various properties it is necessary for the probate or letters of administration to be produced to each of the corporations, banks, or registries where the name of the deceased appears, in order that the name of his legal personal representative may be substituted, without which it will be impossible to get transfers registered.

A special banking account in the name of the trust will have been opened as soon as the executor has any moneys to pay in, as he should on no account retain money in hand, and all payments should be made by cheques drawn on this account to the order of the payee and crossed "not negotiable." If there are several executors it should be arranged that cheques may be signed by any two of them, and letters signed by the executor or executors should as soon as possible be sent to all companies or persons with whom money is invested, requesting them to pay all interest and dividends, as such become due, direct to the executor's bankers, whose receipt shall be a full and sufficient discharge. All scrip, deeds, bonds, and other securities should be deposited with the bankers in a box which,

where more than one executor has been appointed, should be made with two locks, requiring the presence of two executors, each having a key to open it.

The executor should endeavour to settle the funeral and testamentary expenses, debts, and legacies, and pay over or invest the residue of the estate as may be directed by the will within a year of the date of death, unless circumstances—such as the provision of the partnership deed of the deceased's business that his share of the capital and goodwill shall be payable by instalments extending over a term of years—render this impossible, but he must in any event use his best endeavours to wind up the estate as soon as he can do so.

The executor should open a set of books consisting of Cash Book, Journal, and Ledger, writing up the Cash Book from the paying-in slips, dividend warrants, and cheque counterfoils, as described in Chapters II. and III., and carefully preserving the vouchers for all payments made on account of the estate. The Ledger must be opened by journalising the inventory of assets and liabilities taken from the Probate Account in the manner described on p. 24. Particulars of all assets should be entered, but care must be taken that in the case of property, or investments which have to be eventually realised, no value is placed upon them in the Cash columns of the Ledger, as, should the executor debit himself with a valuation which was not ultimately realised, the deficiency might be made the subject of a claim by the beneficiaries.

Where, as is usually the case, the will creates a life-tenancy of the residuary estate, the executor must be careful to keep distinct accounts for Capital and Income, in order that both life-tenant and remaindermen may be fairly dealt with.

The first dividends and rentals received after the testator's death must, by the provisions of the Apportionment Act of 1870, be divided between capital and income in proportion to

the number of days accrued due prior to the date of death, the portion up to this date being treated as capital and the rest as income. For the same reason expenses of the executor incurred in realising or dealing with the assets must be charged against capital, those incurred in receiving rents and dividends against income. Where the income is derived from house properties the property must be kept in a good state of repair, as otherwise the life-tenant would benefit by leaving the buildings in bad condition, which would have to be made good by those entitled to the residue after his death.

A list of the Ledger Accounts to be opened is given below, and the Ledger should be balanced at yearly intervals on the date of the testator's death. As no values are placed on unrealised assets in the Ledger no question of profit or loss on the sale of investments need be considered, but the net amount of cash received on realisation being posted to the credit of the Investment Account, the debit Cash column is filled in with the equivalent figure, which is also entered in the Journal, and on the credit side of the Principal Account, completing the Journal entry made on opening the books.

EXECUTORSHIP—LEDGER ACCOUNTS.

Principal Account.
Income Account.
Funeral Expenses.
Testamentary Expenses.
Debts due at Death.
Legacies.
Annuities (an Account for each Annuitant).
Executorship Expenses.
A separate Account for each Investment and Property.
An Account for each Life-Tenant.
An Account for each Residuary Legatee.

Where the investments are very numerous it is advisable, instead of posting the dividends directly to the credit of Income Account, to credit them to the several Investment Accounts, placing the items in an inner Cash column ruled for this purpose. By doing this, it can be seen by glancing through the Ledger Accounts whether the dividends from each investment have been duly received, and at the end of the year the dividends credited to each account can be transferred to the credit of Income Account by Journal entry, otherwise if numerous dividends are carried to the Income Account direct the task of checking them off to see if all have been received becomes difficult.

Property rentals can be treated in the same way, but if these are weekly or monthly rents, and are at all numerous, the executor would be justified in employing an agent to manage the property, who would account to him periodically, and pay over in one sum all rents received by him to the date of the account.

When the estate has been wound up and distributed, the executor, administrator, or trustee, is entitled, on the production of his accounts showing that his trust has been duly fulfilled, to obtain a release under seal from the residuary legatees. This deed of release constitutes a discharge from all further liability on his part, unless it has been obtained by fraud, concealment, or mistake.

In the case of a trusteeship created under a marriage or other settlement, the only account to be kept during life-tenancy will be an inventory of the investments, as the income can be so arranged as to be paid into the life-tenant's Bank Account direct by the trustees giving mandatory letters to that effect to the various persons or corporations from whom it may be receivable. The duty of the trustees in such a case consists in the safe preservation of the assets. They should provide for the custody of the securities with a banker, in a box which can only

be opened by two or more of their number being present together. They should also see that all investments are registered in their joint names, and that real and leasehold properties are properly *insured* and kept up. They must secure the appointment of a new trustee in all cases where a vacancy is caused in the trust by the death of one of their number, and have the investments duly transferred into the new joint names. Where the death of a life-tenant terminates the trust the division of the assets among the beneficiaries may necessitate the realisation of some of the holdings, in which case an account showing the realisation and division should be sent to each beneficiary.

A trustee may not make any profit out of his trust, nor retain money in hand longer than is necessary for its re-investment or distribution. An executor may not carry on the business of the deceased without express direction in the will. A trustee may on no account use trust money in his own business. He should not, unless specially allowed a larger discretion by the instrument creating the trust, invest in any securities except those authorised for trustees (of which lists are given in the appendix), and he must use such care and diligence in the trust matters as a prudent man would exercise in his own affairs. Where two or more trustees are appointed, one of them should not be allowed to take all the management of the trust, as the others will be held liable for loss arising if they do not give proper attention to all matters of the trust.

APPENDIX.

AUTHORISED TRUSTEE INVESTMENTS.

1. Parliamentary Stocks, Public Funds, or Government Securities of the United Kingdom.

2. Real or Heritable Securities in Great Britain or Ireland.

3. Stock of the Bank of England or the Bank of Ireland.

4. India $3\frac{1}{2}$ per cent. Stock and India 3 per cent. Stock, or any other Capital Stock which may at any time hereafter be issued by the Secretary of State in Council of India under the authority of Act of Parliament, and charged on the revenues of India.

5. Any securities the interest of which is for the time being guaranteed by Parliament.

6. Consolidated Stock created by the Metropolitan Board of Works, or by the London County Council, or Debenture Stock created by the Receiver for the Metropolitan Police District.

7. The Debenture or Rent Charge, or Guaranteed or Preference Stock of any Railway Company in Great Britain or Ireland incorporated by special Act of Parliament, and having during each of the ten years last past before the date of investment paid a dividend at the rate of not less than 3 per centum per annum on its Ordinary Stock.

8. The Stock of any Railway or Canal Company in Great Britain or Ireland whose undertaking is leased in perpetuity, or for a term of not less than two hundred years at a fixed rental to any such railway company, as is mentioned in Sub-section 7, either alone or jointly with any other railway company.

9. The Debenture Stock of any Railway Company in India, the interest on which is paid or guaranteed by the Secretary of State in Council of India.

10. The "B" Annuities of the Eastern Bengal, the East Indian, and the Scinde, Punjab, and Delhi Railways, and any like annuities which may at any time hereafter be created on the purchase of any other railway by the Secretary of State in Council of India and charged on the revenues of India, and which may be authorised by Act of Parliament to be accepted by trustees in lieu of any stock held by them in the purchased railway; also in deferred annuities comprised in the Register of Holders of Annuity Class D, and annuities comprised in the Register of Annuitants Class C of the East Indian Railway Company.

11. The Stock of any Railway Company in India upon which a fixed minimum dividend in sterling is paid or guaranteed by the Secretary of State in Council of India, or upon the capital of which the interest is so guaranteed.

12. The Debenture, Guaranteed, or Preference Stock of any company in Great Britain or Ireland, established for the supply of water for profit, and incorporated by special Act of Parliament, or by Royal Charter, and having during each of the ten years last past before the date of investment paid a dividend of not less than five pounds per centum on its Ordinary Stock.

13. Nominal or Inscribed Stock issued, or to be issued, by the corporation of any municipal borough having, according to the returns of the last census prior to the date of investment, a population exceeding fifty thousand, or by any County Council, under the authority of any Act of Parliament or Provisional Order.

14. Nominal or Inscribed Stock issued, or to be issued, by any commissioners incorporated by Act of Parliament for the purpose of supplying water, and having a compulsory power of levying rates over an area having, according to the returns of the last census prior to the date of investment, a population exceeding fifty thousand, provided that during each of the ten years last past before the date of investment the rates levied by such commissioners shall not have exceeded eighty per centum of the amount authorised by law to be levied.

15. Any of the Stocks, Funds, or Securities for the time being authorised for the investment of cash under the control of or subject to the order of the High Court.

16. Colonial Stock registered in the United Kingdom in accordance with the provisions of the Colonial Stock Acts, 1877 and 1892, as amended by the Colonial Stock Act, 1900, and with respect to which there have been observed such conditions (if any) as the Treasury may by order notified in the London *Gazette* prescribe.

(The Treasury shall keep a list of any Colonial Stocks in respect of which the provisions of this Act are for the time being complied with, and shall publish the list in the London and Edinburgh *Gazettes*, and in such other manner as may give the public full information on the subject.

AUTHORISED TRUSTEE INVESTMENTS UNDER COLONIAL STOCK ACT, 1900.

The provisions of the Colonial Stock Act, 1900, have been complied with in respect of the undermentioned stocks, registered or inscribed in the United Kingdom.

Barbados 3½ per cent. Inscribed Stock (1925-42).

British Guiana 4 per cent. Inscribed Stock (1935); 3 per cent. Inscribed Stock (1923-45).

Canada, Dominion of, 4 per cent. Loans of 1874, 1875, 1876, and 1878-9; 3½ per cent. Loan (1909-34), 4 per cent. Reduced Loan, 4 per cent. Loan (1910-35), 3 per cent. Loan, 2½ per cent. Loan.

Cape of Good Hope 4 per cent. Inscribed Stock of 1882 (1917-1923) 4 per cent. Inscribed Stock of 1883 (1923), 4 per cent. Consolidated Stock (1916-1936), 3½ per cent. Consolidated Stock (1929-1949), 3 per cent. Consolidated Stock (1933-1943).

Ceylon 4 per cent. Inscribed Stock (1934), 3 per cent. Inscribed Stock (1940).

Gold Coast 3 per cent. Inscribed Stock (1927-52).

Grenada 4 per cent. Inscribed Stock (1917-42).

Hong-Kong 3½ per cent. Inscribed Stock (1918-43).

Jamaica 4 per cent. Inscribed Stock (1934), 3½ per cent. Inscribed Stock (1919-1949), 3 per cent. Inscribed Stock (1922-1944).

Lagos 3½ per cent. Inscribed Stock (1930-1955).

Mauritius 4 per cent. Inscribed Stock (1937).

Natal 4 per cent. Inscribed Stock (1927), 4 per cent. Inscribed Stock (1937), 3½ per cent. Inscribed Stock (1914-39), 3 per cent. Consolidated Stock (1929-49), 3½ per cent. Consolidated Stock (1934-44).

Newfoundland 3½ per cent. Inscribed Stock (1905).

New South Wales 4 per cent. Inscribed Stock (1933), 3½ per cent. Inscribed Stock (1924), 3½ per cent. Inscribed Stock (1918), 3 per cent. Inscribed Stock (1935).

New Zealand 4 per cent. Consolidated Stock (1929), 3½ per cent. Consolidated Stock (1940), 3 per cent. Consolidated Stock (1945).

Queensland 4 per cent. Inscribed Stock (1915), 4 per cent. Inscribed Stock (1924), 3½ per cent. Inscribed Stock (1924), 3½ per cent. Inscribed Stock (1930), 3½ per cent. Inscribed Stock (1945), 3½ per cent. Inscribed Stock (1921), 3 per cent. Inscribed Stock (1922-47).

St. Lucia 4 per cent. Inscribed Stock (1919-44).

South Australia 4 per cent. Stocks (1917, 1918, and 1924), 4 per cent. Inscribed Stock (1916-35), 4 per cent. Inscribed Stock (1917-36), 3½ per cent. Inscribed Stock (1939), 3 per cent. Inscribed Stock (1916-26), 3 per cent. Consolidated Inscribed Stock (1916).

Tasmania 3½ per cent. Inscribed Stock (1920-40), 4 per cent. Inscribed Stock (1920-40), 3 per cent. Inscribed Stock (1920-40).

Trinidad and Tobago.—Trinidad 4 per cent. Inscribed Stock (1917-42), Trinidad 3 per cent. Inscribed Stock (1922-44).

Victoria 4 per cent. Railway Loan of 1881 (1907), 4 per cent. Redemption Loan of 1882 (1908), 4 per cent. Inscribed Stock of 1883 (1913), 4 per cent. Inscribed Stock of 1884 (1919), 4 per cent. Inscribed Stock of 1885 (1920), 3½ per cent. Inscribed Stock of 1888-9 (1923), 3½ per cent. Inscribed Stock (1921-26), 4 per cent. Inscribed Stock (1911-26), 3 per cent. Consolidated Inscribed Stock (1929-49), 3½ per cent. Consolidated Inscribed Stock (1929-49).

West Australian 4 per cent. Inscribed Stock (1934), 4 per cent. Inscribed Stock (1911-31), 3½ per cent. Inscribed Stock (1915-35), 3 per

cent. Inscribed Stock (1915-35), 3 per cent. Inscribed Stock (1916-36), 3½ per cent. Inscribed Stock (1920-35), 3 per cent. Inscribed Stock (1927).

The restrictions mentioned in Section 2, Sub-section (2), of the Trustee Act, 1893, apply to the above stocks. (See Colonial Stock Act, 1900, Section 2.)

The revenues of the respective Colonies alone are liable in respect of these stocks and the dividends thereon, and the Consolidated Fund of the United Kingdom and the Commissioners of his Majesty's Treasury are not directly or indirectly liable or responsible for the payment of the stock or of the dividends thereon, or for any matter relating thereto. (Colonial Stock Act, 1877, 40 & 41 Vict. c. 59, Section 19.)

Treasury Chambers, S.W.,

6th November 1905.

1906.

Accountancy and Law Publications.

	Pub. Price NET.
Accountant, The. Weekly	-/6
,, ,, Per annum post free, (U.K.) ...	24/-
,, ,, do. do. Foreign ...	26/-
,, ,, Binding Cases	2/6
,, ,, File Cases	3/6
Accountants' Journal. Monthly	-/9
,, ,, Per annum (U.K.) ...	7/6
,, ,, do. Foreign ...	8/6
,, ,, Binding Cases	2/6
,, ,, File Cases	1/-
,, **and Bookkeeper's Vade-Mecum.** (Whatley)	7/6
,, **Assistant.** (Beckett)	6/-
,, **Code** ... ... doz.	5/-
,, **Compendium.** (Dawson) (2nd Edition)	21/-
,, **Diary.** I. (Foolscap 1 day to page) ...	8/-
,, ,, II. (,, 2 ,,) ...	3/6
,, ,, III. (,, 3 ,,) ...	1/6
,, ,, III.A (,, 3 ,,) ...	2/-
,, ,, IV. & IV.F. (8vo 1 ,,) ...	5/-
,, ,, V. (,, 2 ,,) ...	2/6
,, **Manual.** Vols. I. to IX. ... each	12/6
,, ,, Vol. III.	10/6
,, ,, The set of 9 Vols.	90/-
Advanced Accounting. (Dicksee) (2nd Edition) ...	21/-
Agricultural Accounts. (Meats)	5/-
Ante-Audit. ... ... each	1/-
,, ... ½-doz.	5/6
,, ... doz.	10/-
Auctioneers' Accounts. (Dicksee) (2nd Edition)...	3/6
Audit Note Books I. & II., each -/6; doz. 5/-; 100	40/-
,, ,, **III.** ... each 2/-; doz.	20/-
,, ,, ,, ... 50 70/-; 100	110/-
Auditing. (Dicksee) (6th Edition)	21/-
Australian Mining Companies' Accounts. (Godden & Robertson)	3/6

	Pub. Price NET.
Bank Bookkeeping and Accounts. (Meelboom) (2nd Edition)	5/-
Bankruptcy. (Stevens) (2nd Edition)	7/6
,, **Time Table.**	-/6
,, **Trustee's Estate Book.** (Dicksee) ... each 4/- ; doz.	40/-
,, **Trustees, Liquidators, and Receivers, Law of.** (Willson) (2nd Edition) ...	10/-
Bookkeeping, Antiquity of. (Heaps)	1/-
,, **Elementary.** (Day)	1/-
,, **Elements of.** (Streeter)	1/6
,, **Exercises.** (Dicksee)	3/6
,, **for Accountant Students.** (Dicksee) (5th Edition)	10/6
,, ,, **Company Secretaries.** (Dicksee)	3/6
,, ,, **Publishers.** (Allen)	2/6
,, ,, **Retail Traders.** (Findlay) ...	3/-
,, ,, ,, **Record Book.** (Findlay)	4/-
,, ,, **Solicitors.** (Hodsoll)	3/6
,, ,, **Technical Classes and Schools.** (Clarke)	2/6
,, **Principles of.** (Carlill)	3/6
Brewers' Accounts. (Lanham)	10/6
Brickmakers' Accounts. (Fox)	3/6
Builders' Accounts. (Walbank) (2nd Edition) ...	3/6
Building Societies' Accounts. (Grant-Smith) ...	3/6
,, **Society Table and Loan Calculations.** (Johnson.)	1/-
Chartered Accountants' Charges. (Pixley) (3rd Edition)	10/6
Companies Act, 1900. (Reid)	1/-
,, ,, ,, **Duties of Auditors under**	1/-
Company Secretary. (Fox) (4th Edition) ...	25/-
,, **Winding-up Time Table**	-/6
Compendium, Accountant's. (Dawson) (2nd Edition)	21/-
Co-operative Societies' Accounts. (Sugden) ...	5/-
Cost Accounts (Hawkins)	5/-
,, ,, **Multiple.** (Garry)	3/6
,, ,, **of an Engineer and Ironfounder.** (Best)	2/6
Cost Accounts, Terminal. (Nesbit)	3/6
Cotton Spinners' Accounts. (Moss)	5/-
Dairy Accounts. (Rowland)	3/6

	Pub. Price NET.
Depreciation, Reserves, and Reserve Funds. (Dicksee)	3/6
,, **Tables.** (Dicksee)	1/-
Drapers' Accounts. (Richardson)	3/6
Electric Lighting Accounts. (Johnson)	5/-
Engineers' and Shipbuilders' Accounts. (Burton)	3/6
Errors in Balancing. (2nd Edition)...	1/-
Examination Guide, Intermediate. (Nixon) ...	3/6
,, ,, **Final.** (Nixon)	5/-
,, **Papers (Questions & Answers)** May and November in each year, each ...	2/6
Examinations, Chartered Accountants', How to Prepare for. (Carlill)	1/6
Executorship Accounts. (Caldicott) (3rd Edition)	3/6
,, ,, **Student's Guide to.** (Carter)	3/6
,, ,, (Whinney) (2nd Edition)	7/6
Factory Accounts. (Garcke & Fells) (5th Edition)	7/6
Fishing Industry Accounts. (Williamson) ...	3/6
Forms of Accounts. (Johnston)	2/6
Fraud in Accounts	3/6
Friendly Societies' Accounts. (Furnival Jones) ...	5/-
Gas Accounts (2nd Edition)...	5/-
Grain, Hay, &c., Accounts. (Johnson)	3/6
Grocers' Bookkeeping. (Webster Jenkinson) ...	1/-
Hire-Purchase Wagon Trade, &c., Bookkeeping and Accounts for. (Johnson)	1/6
Hotel Accounts. (Dicksee)	3/6
Income Tax Practice, Guide to. (Murray & Carter) (4th Edition)	10/-
Insurance Companies' Accounts. (Tyler)	10/6
Inwood's Tables	8/-
Jewellers' Accounts. (Allen Edwards)	5/-
Laundry Accounts. (Livesey)	3/6
Lexicon for Trustees in Bankruptcy, &c. Bound Boards. (Dawson)	3/6
List of Members. (Institute of Chartered Accountants)	2/-
Medical Practitioners' Accounts. (May)	3/6
Metric System. (Streeter)	1/-
Mineral Water Manufacturers' Accounts. (Lund & Richardson)	3/6

	Pub. Price NET.
Multiple Cost Accounts. (Garry)	3/6
,, **Shop Accounts.** (Hazelip)	3/6
Municipal Accounts. (Allcock)	10/6
,, **Finance for Students**	2/6
,, **Internal Audit.** (Collins)	3/6
Newspaper Accounts. (Norton & Feasey) ...	10/-
Parliamentary Companies. (Keen)	1/-
Partnership Accounts. (Child) (4th Edition) ...	2/6
Pawnbrokers' Accounts. (Thornton & May) ...	3/6
Personal and Domestic Accounts. (Ibotson) ...	1/-
Polytechnic Accounts. (Calder Marshall) ...	3/6
Printers' Accounts. (Lakin-Smith)	3/6
Professional Accountants. (Worthington) ...	2/6
Publishers' Accounts. (Allen)	2/6
Quarry Accounts. (Ibotson)	3/6
Retail Traders, Account Book for. (Day) ...	5/-
Rights and Duties of Trustees, Liquidators, and Receivers, Chart of the. (Willson)	1/3
Shipping Accounts. (Daly)	3/6
Shopkeepers' Accounts. (Quin) (2nd Edition) ...	2/6
Solicitors' Accounts. (Dicksee)	3/6
Stamp Duties and Receipts, Handbook to. (Lakin-Smith)	2/6
Stockbrokers' Accounts. (Callaway)	3/6
Student's Guide to Accountancy	2/6
Terminal Cost Accounts. (Nesbit)	3/6
Theatre Accounts. (Chantrey)	3/6
Timber Merchants' Accounts. (Smith)	3/6
Tramway Accounts. (McColl)	10/6
Trial Balance Book, "Handy" each -/6; doz.	5/-
Trustees, Chart of the Rights and Duties of. (Willson)	1/3
,, **Liquidators, and Receivers, Accounts of.** (Dawson)	3/6
Underwriters' Accounts. (Spicer & Pegler) ...	3/6
Urban District Councils' Accounts. (Eckersley)	5/-
Vade-Mecum, Accountant's and Bookkeeper's. (Whatley)	7/6
Van de Linde's Bookkeeping. (2nd Edition) ...	7/6
Water Companies' Accounts. (Key)	3/6
Wine and Spirit Merchants' Accounts. (Sabin) ...	5/-
Woollen and other Warehousemen's Accounts. (Mackie)	3/6

COST ACCOUNTS OF AN ENGINEER AND IRON-FOUNDER, THE. Price 2*s*. 6*d*. net. By J. W. BEST, F.C.A. The first portion deals with the Engineering and the second with the Foundry Department, and numerous forms of books and accounts are given and explained.

DEPRECIATION, RESERVES, AND RESERVE FUNDS. Price 3*s*. 6*d*. net. 80 pages. By LAWRENCE R. DICKSEE, M.Com., F.C.A.

This Work—which is Vol. XXVI. of "THE ACCOUNTANTS' LIBRARY" series—deals fully and impartially with the most Debatable and Important Subjects in connection with Accounts.

It is divided into Twelve Chapters, with a Complete Index, and is the most Exhaustive Work upon the subject that has yet been issued.

EARLY STAGES of PREPARATION for the ACCOUNTANCY PAPERS of the INTERMEDIATE. By A. E. CUTFORTH, A.C.A. Price 2*s*. 6*d*. net.

ELECTRIC LIGHTING ACCOUNTS. Price 5*s*. net. Over 140 pages. By GEORGE JOHNSON, F.S.S., F.C.I.S.

This Work—which forms Vol. XXIX. of "THE ACCOUNTANTS' LIBRARY"—deals very fully with the Accounts of Electric Lighting Companies. It is divided into 18 Chapters, and contains a set of *pro formâ* transactions. With a complete index.

EXAMINATION GUIDES.—INTERMEDIATE AND FINAL. Price 3*s*. 6*d*. and 5*s*. net respectively. By JOHN G. NIXON, Junr., A.C.A.

These Books have been compiled in order to provide Accountant Students with a series of the Questions actually set at the Examinations of the Institute.

The Questions and Exercises include practically all those set from December 1893 to June 1903, and have been divided into sections. They have been arranged, according to subject, in alphabetical order; the dates when they were set being also given.

EXECUTORSHIP ACCOUNTS. Third Edition. Price 3*s*. 6*d*. net. Revised under the FINANCE ACT and brought up to date. By O. H. CALDICOTT, F.C.A. Containing a COMPLETE SET of TRUST ACCOUNTS with explanatory text.

EXECUTORSHIP ACCOUNTS, STUDENT'S GUIDE TO. About 124 pages. Price 3*s*. 6*d*. net. By ROGER N. CARTER, F.C.A. (Senior Honours Institute Examination, June 1893), Joint Author with Mr. Adam Murray, F.C.A., of "A Guide to Income-Tax Practice."

EXECUTORSHIP LAW AND ACCOUNTS. Second Edition. Price 7*s*. 6*d*. Revised and brought up to date by FREDERICK WHINNEY, Junr., B.A., Barrister-at-Law, assisted by ARTHUR P. VAN NECK, M.A., Barrister-at-Law.

Containing an Epitome of a Will and a Set of Executorship Accounts. By ARTHUR F. WHINNEY, F.C.A.

FRAUD IN ACCOUNTS. Price 3*s*. 6*d*. This Work deals with the methods of circumventing Frauds on the part of both Employees and Directors, and shows how they may be detected at an early date.

GAS ACCOUNTS (Vol. VII. of "THE ACCOUNTANTS' LIBRARY.") By the EDITOR. Price 5s. net.

This Work—which comprises 128 pages—deals fully with the Accounts of all classes of Gas undertakings. It contains an Introduction and Seven Chapters, and a Full Index is appended.

GOODWIL … By LAWRENCE R…

Although issue… own "GOODWILL," fi… and enlarged as to be … the *Greatest Value to*…

INCOME-T … urth Edition. R… and ROGER N. C…

Containing a S… truc-tions as to the … ort of Appeals on the … bate-ment; and a cor… ction of the Acts.

JEWELL… TRAD … **RED** net.

By ALLEN…

This Work d… Retail Jewellers, and … Forms, specially draw…

MUNICI … pages.

In this Vol… unicipal Accounts is de… e given.

MUNICI … Price

This Work … has been published in … Municipal Accountancy … inations.

MUNIC … 6*d*. net.

This Wor… Financial Officers, Au… ncy, and members of … ccounts.

PARTI … Price

The points …
The Par… ct and the Deed— … nsactions— The D… *Garner v. Murra*…

PERS … **S.** By J. G. P. IBOTSON, …

PUBLISHERS' ACCOUNTS. Price 2*s*. 6*d*. By CLARENCE E. ALLEN.

This Book deals fully with the nature and practice of the Publishing Business, the method of recording the Transactions, and the points to be noticed in connection with the Audit and the Treatment of Copyright.

RIGHTS AND DUTIES OF TRUSTEES, LIQUIDATORS, AND RECEIVERS, CHART OF THE. Price 1*s*. net. By W. R. WILLSON, B.A., Barrister-at-Law.

This Chart, which gives at a glance a bird's-eye view of the leading features of the offices of Trustees in Bankruptcy, Liquidators, and Receivers, is specially designed for the purpose of assisting Accountant Students either by way of an introduction to or a summary of the important subjects with which it deals.

By

ɔr small
umerous
th. The
e correct

ɔn Law

K TO.

duties and
, generally,
ɔrce.

6*d*. net.

ɔndon Stock
:y of Stock
ix.

, THE.

.ntancy as a
ıts out to the
advantage.

TS. Price
/s). Vol. XV.

s in operation
f considerable
ı here and in
lescribed, and

HANDY."

rn demand for
ount Headings
ıgs, so that all
. The scheme
nesses, and the

IDATORS
2nd Edition.
B.A. Oxon., and
ment of the law
Decisions, written
the Institute and
Society of Accountants, ... ading features of
the offices of Trustees, Liquidators, and Receivers.

WATER COMPANIES' ACCOUNTS. Over 80 pages.
Price 3*s*. 6*d*. By FRANK KEY, A.S.A.A.
This Work—which forms Vol. XIX. of "THE ACCOUNTANTS' LIBRARY" series—deals at length with the Accounts of Water Companies, and describes the various necessary books. The system advocated is illustrated by full *pro forma* Accounts, and extracts from the Acts of 1847 and 1902 are appended.

AUTHORS' WORKS PRINTED AND PUBLISHED.

1/- Net